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ABSTRACT

The Project on Devolution and Urban Change conducted a study to learn how new welfare policies and funding mechanisms, especially devolution and Temporary Assistance for Needy Families block grants, affect human service agencies in neighborhoods with high concentrations of welfare recipients and people living in poverty. Key personnel at 106 agencies in the four Urban Change areas were interviewed. Findings indicated agency staff were generally aware major changes in welfare policy had occurred, but few expressed detailed knowledge of the policies; the overwhelming majority expressed negative or mixed views of welfare reform; changes attributed to welfare reform began soon after policies were implemented but were not as dramatic as reform critics predicted; changes in demand for education and training services were the biggest effect of welfare reform; most basic needs organizations had not seen an increase in demand or increases in private donations; and, despite the limited impact the first year of welfare reform had on community organizations, respondents anticipated new policies would appreciably increase demand for their services in the future but many had no plans for meeting the new needs or possible rise in demand. (Appendixes include detailed descriptions of types of agencies and a 45-item bibliography.) (YLB)

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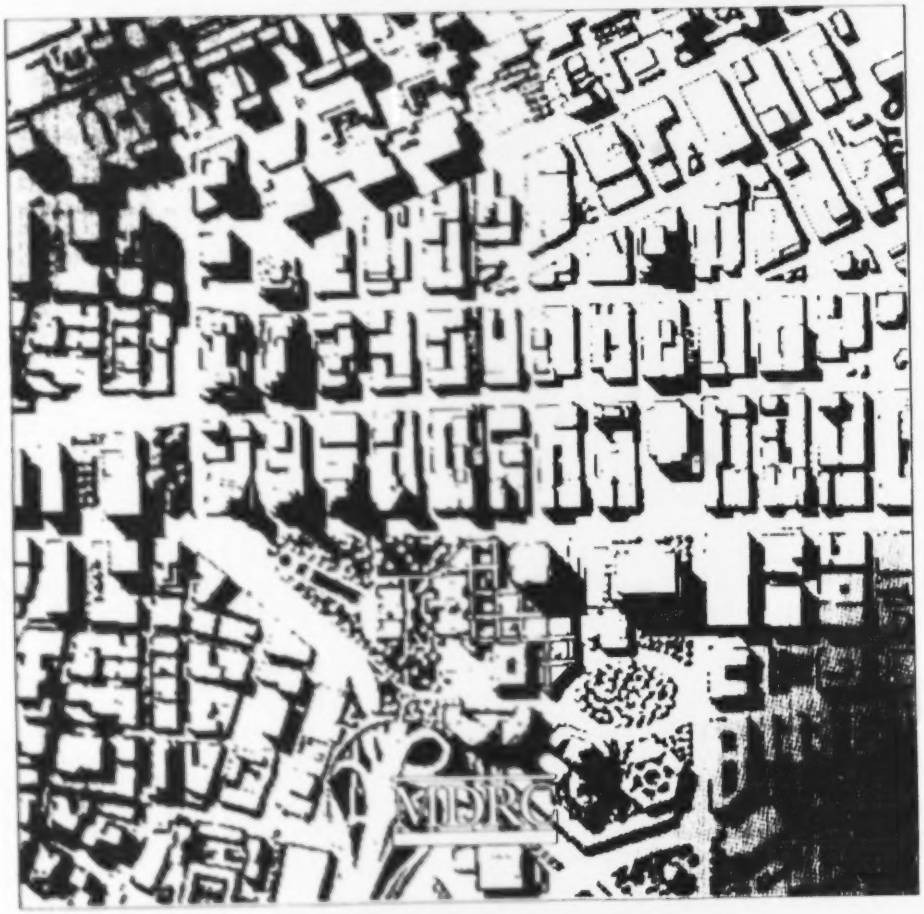

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The Project on Devolution
and Urban Change

Social Service Organizations and Welfare Reform

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with

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MDRC

Manpower Demonstration Research Corporation

February 2001

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I. Introduction: The Changing Network of Social Services

Social service organizations address a wide range of low-income families' needs. These agencies are part of a larger system that involves government provision of services and government funding for private institutions. Significant change in one part of this network affects the others. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), passed in 1996, dramatically changed welfare policies. Welfare recipients now face time limits on eligibility for cash assistance, requirements that they must engage in work or work activities, and incentives and supports to encourage them to find employment. Because these welfare policy changes are so dramatic, many anticipate that the delivery of social services by private organizations will also be affected.

Predictions about the effects of welfare reform on social service agencies vary widely. Supporters of welfare reform anticipate a general increase in employment and a decrease in poverty. These predictions suggest that private donations to social service organizations will increase, allowing churches and other private agencies to play a larger role in helping families. Thus, the government safety net will be less and less needed over time. Critics, on the other hand, predict an increase in poverty and homelessness, even as social service organizations lack the resources to handle the increased needs of poor families. This is a vision of government pulling out of the social safety net without reinforcing the supportive services for people in poverty.

In order to fully understand how welfare reform influences the well-being of low-income families and communities, we must learn how human service organizations are affected by new welfare policies. This report examines agency staff members' knowledge about welfare reform, their overall views of welfare reform, their experience of its impact on their agencies, and their expectations of how it will affect them. The findings offer preliminary insights into how new government policies shape other components of the network of service provision that is essential to the well-being of low-income families.

A. The Findings in Brief

- Agency staff were generally aware that major changes in welfare policy had occurred, but few expressed detailed knowledge of the policies.
- The overwhelming majority of respondents expressed negative or mixed views of welfare reform.
- Changes attributed to welfare reform began soon after the policies were implemented, but these changes have not yet been as dramatic as the critics of reform have predicted.
- Changes in the demand for education and training services have been the biggest effect of welfare reform so far. Agencies' experiences — whether demand increased or decreased — depended partly on the state and local welfare policies and how they were implemented.
- Most basic needs organizations have not yet seen an increase in demand. Nor, however, have they seen increases in private donations as predicted by supporters of welfare reform. Moreover, the experiences of a few Cleveland agencies

suggest that time limits or sanctioning policies that cause many people to lose benefits will significantly affect the demand faced by these private charities.

- Despite the limited impact that the first year of welfare reform had on community organizations, respondents anticipate that the new policies will appreciably increase the demand for their services in the future. Many, however, have no plans for meeting the new needs or the possible rise in demand.

B. The Project on Devolution and Urban Change and the Institutional Study

This report is based on data collected for the Project on Devolution and Urban Change (Urban Change, for short). Urban Change is a research project designed to understand how devolution and the Temporary Assistance for Needy Families (TANF) block grants play out in four large urban areas; the project is being undertaken by the Manpower Demonstration Research Corporation (MDRC). (See Table 1 for a description of the Urban Change project.)

Specifically, the report is the first from the project's Institutional Study, the objective of which is to understand how the new welfare policies and funding mechanisms affect human service agencies in neighborhoods with high concentrations of welfare recipients and people living in poverty.

C. Why Study Community Institutions and Welfare Reform?

The social service system involves complex, interdependent relationships between governments and private institutions. Governments provide some services directly, some services are provided through contracts between governments and private organizations, and private agencies acting on their own initiative fill some of the gaps. Smith and Lipsky (1995) point out that governments increasingly provide services by purchasing them from private social service agencies, expanding the welfare state through these organizations. Welfare reform could affect agencies both directly (for example, if they receive many more or many fewer referrals from the welfare department) and indirectly, through effects on their clients (for example, if clients gain or lose income, they may need less or more assistance from private agencies). These changes could then affect the services available to people living in poverty.

Many researchers are monitoring the implementation and effects of welfare reform.[1] Others have applied organizational theories to human service agencies.[2] In addition to integrating these literatures, this report makes two key contributions. First, the breadth of the sample allows us to examine how welfare reform affects many types of agencies: faith-based and non-faith-based, with varying services, with and without contracts from welfare departments, and with a range of budget and staffing levels. Second, the report examines the effects of specific local policy changes on organizations serving impoverished urban communities. The data on these policy changes come from other Urban Change components (see Table 1).

Finally, as policymakers judge the effects of welfare reform on individuals and communities, they need to consider whether the safety net will be able to hold up. Advocates of welfare reform assert that the private sector will compensate or make up for the elimination of welfare

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[1]See, for example, *Assessing the New Federalism* (Urban Institute); see also Nathan and Gais, 1999.
[2]See, for example, Hasenfeld, 1982; Reitan, 1998; Sandfort, 1999.

The Project on Devolution and Urban Change

Table 1

Key Features of the Urban Change Project

Goal
To understand how state and local welfare agencies, poor neighborhoods, and low-income families are affected by the changes to the income support system in response to the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996.

Locations (sites)
Four large urban counties: Cuyahoga (Cleveland, Ohio), Los Angeles, Miami-Dade, and Philadelphia

Project components
The *Ethnographic Study* illuminates the effects of the changes by chronicling, in depth and over time, how approximately 40 welfare-reliant families in each site cope with the new rules and policies.

The *Implementation Study* describes both the new welfare initiatives — rules, messages, benefits, and services — that are developed at the state and local levels and the experiences of the local welfare agencies in putting these new initiatives into practice.

The *Individual-Level Impact Study* measures the impact of the new policies on welfare, employment, earnings, and other indicators of individual and family well-being, via two components:

1. an *administrative records component*, for countywide samples of welfare recipients and other poor people
2. a *survey component* involving two waves of in-person interviews with a sample of residents of high-poverty neighborhoods

The *Institutional Study* examines how the new policies and funding mechanisms affect social service institutions and neighborhood businesses.

The *Neighborhood Indicators Study* assesses changes in statistical indicators that reflect the social and economic vitality of urban counties and of neighborhoods within them where poverty and welfare receipt are concentrated.

Distinctive features
Its urban focus. The project examines the impacts of welfare reform in America's big cities.

Its neighborhood focus. All five components of the project will focus especially on residents of high-poverty neighborhoods, the public and nonprofit agencies that assist them, and the effects of welfare reform on the stability and vitality of their communities. Findings will also be reported at the county level.

Its effort to integrate findings across the components. The goal of the project is to bring multiple data sources and methodologies to bear in answering the questions of interest. The results of the separate studies are intended to illuminate, clarify, reinforce, and otherwise complement each other, as exemplified in this report.

SOURCE: Quint et al., 1999.

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entitlements. However, to evaluate this claim, we must examine the entire network of social services. Agencies in high-poverty urban neighborhoods play a crucial role in this network.[3]

D. Welfare Reform Policies in the Urban Change Sites

In thinking about how welfare reform has affected agencies, it is useful to distinguish various aspects of the welfare reform package. States and counties have different policies. These distinct approaches and their implementation at each site likely affect social service agencies differently. (See Table 2 for summary information about the policies in each Urban Change site.) Many aspects of welfare policy changes could influence these agencies. Among the important factors, but not the only key ones, are time limits, sanctioning, and the emphasis on work.

By limiting the duration of recipients' eligibility for cash assistance, new welfare policies depart fundamentally from previous practices. Time limits appear to lead more welfare recipients to employment, even before the time limits would actually have cut off their benefits. However, these policies, especially when combined with earned income disregards, do not lead families to leave welfare more quickly in the pre-time-limit period (Bloom, 1999). Increases in employment may lead to increases in demand for child care or for services offered during different hours. In addition, if recipients reach time limits and lose income, this could affect the demand for food and other emergency services, such as money to pay utility bills and housing costs. New sanctioning policies could also affect the income of current and former welfare recipients and thereby influence the demand for services. These policies are stricter under welfare reform, with some sites adding full-family sanctions, in which the entire family loses cash assistance for a specified period of time (Quint et al., 1999, p. 187). In addition, if people who leave cash assistance do not receive all the benefits to which they are entitled, such as Medicaid and food stamps, their need and demand for services might increase. In short, loss of income from time limits or sanctions could affect demand for basic services such as food and shelter. In addition, if these policies lead to increased work, demand for child care and other services could rise.

In addition to time limits, welfare reform's work and participation requirements led most states to develop "work-first" approaches to moving welfare recipients into jobs. The work-first philosophy emphasizes rapid attachment to jobs. To that end, these policies mandate that in order to receive their cash grant, recipients must be employed, volunteering, or participating in approved education and employment preparation programs. (See Table 2 for more details on the sites' policies.) These policies could affect institutions in a variety of ways, including the demand for their services, the types of clients they serve, the services they offer, and their funding.

This study considers the early influence of welfare reform policies on institutions in high-poverty urban neighborhoods. Following a description of our research methodology and sample, Section III describes whether respondents knew about the new welfare policies at the time of the interviews and which aspects of the policies they most commonly mentioned. Section IV describes respondents' views on welfare reform. Section V considers what effects welfare reform has had on social service agencies so far — in particular, whether welfare reform has changed the demand for services, the services offered, and agencies' relationship with the welfare department. Section VI looks to the future and respondents' expectations about demand for ser-

[3]Nationally, welfare receipt is becoming more and more concentrated in large urban areas (Allen and Kirby, 2000).

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Table 2

Summary of Welfare Policies, by Site

Welfare Policies	Cuyahoga County	Los Angeles County	Miami-Dade County	Philadelphia County
Lifetime limit on cash welfare for most families	3 years[a]	5 years (adults only)	4 years	5 years
Interim-termination time limit[b]	None	None	36 months in a 72-month period for certain recipients; 24 months in a 60-month period for other recipients[c]	None
Work-trigger time limit[d]	None[e]	18 or 24 months[f]	None[g]	24 months
Safety net features	None	Child's portion of grant is maintained after parent reaches time limit	Possible continuation of benefits for children through protective payee for up to 1 year; hardship extensions of time limit for up to 1 year	None
Hours per week of participation required for single-parent families[h]	30	32	20	20 (after 2 years)
Existence of family cap[i]	No	Yes	Yes[j]	No
Sanctions if children do not attend school	No	Yes	Yes	No[k]
Sanctions if children are not immunized	No	Yes	Yes	No[k]
Penalties for recipient's noncooperation with child support enforcement efforts	Subject to 3-tier sanction[l]	25% grant reduction	Subject to 3-tier sanction[m]	Individuals ineligible for cash assistance, or family's grant reduced by 25%, whichever is higher[n]
$50 child support disregard	Eliminated	Preserved	Eliminated	Eliminated in state plan, but state court temporarily barred change effective May 1, 1997

(continued)

Table 2 (continued)

NOTES: For Cuyahoga, Los Angeles, and Miami-Dade Counties, there are both state and local TANF plans. For Philadelphia County, there is only a state plan.

[a]After receiving benefits for 36 months, a family is ineligible for 24 months. After that period, if the county determines that good cause exists, the family may be eligible for an additional 24 months of assistance. As of July 1998, Cuyahoga County had not established the criteria for extending welfare receipt for the additional 24 months.

[b]The interim-termination time limit is a time limit on welfare receipt that results in the termination of cash assistance but is shorter than the lifetime limit.

[c]Recipients who qualify for the 36-out-of-72-month time limit are custodial parents under age 24 who have not completed high school or have no work experience and long-term recipients (defined as those who have received assistance for at least 36 of the last 60 months).

[d]The work-trigger time limit is a period of time after which clients must work in order to receive cash assistance.

[e]Ohio's state plan stipulates that recipients participate in state-defined work activities once they are able to engage in work, or once they have received assistance for 24 months. Ohio, however, has been emphasizing the three-year time limit in which participants can continue to receive benefits as long as they fulfill the requirements in their Self-Sufficiency Contract.

[f]Welfare-to-work activities are generally limited to 18 months for new applicants and 24 months for ongoing recipients.

[g]With a few exceptions, Florida requires that recipients be immediately involved in work activities (broadly defined to include activities such as job search, vocational education and training, and subsidized employment).

[h]Hours reported are minimums at the start of each welfare-to-work program. The minimum number of hours in Miami-Dade and Philadelphia Counties is less than the federal requirements of 25 hours in fiscal year 1999 and 30 hours in fiscal year 2000.

[i]A family cap entails the partial or full denial of cash benefits to a child conceived while the mother is on welfare.

[j]The policy provides "limited" additional benefits to children born within 10 months of initial welfare receipt: 50 percent for first child, and no benefits for each child thereafter.

[k]Although sanctions for school attendance and immunization are included in the state plan, regulations have not been developed for these provisions.

[l]In Cuyahoga County, the first instance of noncooperation results in the removal of OWF benefits (for the entire family) and possibly food stamp benefits (for the adult) for one month or until cooperation is obtained, whichever is longer. For the second instance of noncooperation, the sanction lasts for three months or until cooperation, whichever is longer. For any subsequent instances, the sanction lasts for six months or until cooperation, whichever is longer. Those adults who are sanctioned three times or more may also be ineligible for Medicaid.

[m]In Miami-Dade County, the entire family is subject to the following sanctions: The first instance of noncooperation results in the loss of cash assistance until the individual has complied for 10 working days; the second instance results in the loss of cash and food stamps until the individual has complied for 30 days; and the third and subsequent penalties result in the loss of cash and food stamps for a minimum of three months. Benefits are reinstated after the individual complies for 10 working days after the three-month penalty period.

[n]The 25 percent penalty has been implemented only for "child-only" budgets.

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vices, existence of funding for services, and plans to address changes resulting from welfare reform. The conclusion, Section VII, explores the implications of these findings for social service organizations, welfare departments, and funders.

II. Research Methodology and Sample

In order to learn how welfare reform affected social service organizations in high-poverty neighborhoods, we interviewed key personnel at 106 agencies located in the four Urban Change sites. (Table 3 shows the number of agencies at which respondents were interviewed in each site.)

The Project on Devolution and Urban Change

Table 3

Number of Agencies Interviewed, by Site

Site	Number of Agencies Interviewed
Cuyahoga County	32
Los Angeles County	19
Miami-Dade County	25
Philadelphia County	30
Total	106

SOURCE: MDRC calculations using Round 1 Institutional Study data.

A. Selection of the Sample

Within each site, institutions were selected in three neighborhoods that had moderate or high poverty levels and large concentrations of welfare recipients.[4] The agencies selected were central to the vitality of each neighborhood and offer a range of services important to low-income families. The sample includes a mix of churches; small, grassroots organizations; and larger, more established organizations. This is not a random sample of institutions, nor is it representative of all institutions in each city or neighborhood. However, this purposive sampling technique yields a diverse group of agencies that offer a variety of perspectives on the effects of welfare reform.

B. Description of the Sample

Agencies were categorized by the "main" services they offer, as shown in Table 4.[5] The

[4]Only two Los Angeles neighborhoods are included in the Institutional Study because the third "target" neighborhood had too few institutions. The neighborhoods in this study are the same as those being studied extensively in the ethnographic and implementation components of the Urban Change Project.

[5]Some agencies in the sample (for example, several health organizations) offer only one type of service. However, many agencies offer more than one type. For these, the following indicators were used to identify the main (continued)

Table 4

Number of Agencies Interviewed, by Main Service

Main Service	Number of Agencies Interviewed
Adult education and employment preparation (basic education, vocational skills training, and employment preparation)	19
Child care	13
Basic needs (food, shelter, and other emergency resources)	30
Health	13
School and youth	18
Other (includes economic development, advocacy, and family well-being)	13
Total	106

SOURCE: MDRC calculations using Round 1 Institutional Study data.

19 adult education and employment preparation agencies offer basic education, vocational skills training, or employment preparation services. They typically provide combinations of these services, either clustered in one program or separately. Twelve child care agencies deliver direct services for preschool-age children, and one focuses on services for parents and child care providers, accrediting child care facilities and providing parent-child play groups. The 30 basic needs agencies supply food, shelter, and other "emergency" items such as clothing and money to pay utilities. The 13 health agencies provide general family health care, mental health services, or specialized services such as reproductive health care. The 18 school and youth agencies are evenly divided between elementary schools and organizations providing services to school-age youth. The remaining agencies focus on real estate and economic development, advocacy (for example, legal services), or family well-being services (such as parenting classes or domestic violence services). These 13 agencies were categorized as "other" because there are not enough of any one type to analyze them as separate groups. (For more information on the agencies in each category, see the Appendix.)

Eighty percent of the institutions are nonprofit agencies, and the remainder are split between for-profit and government organizations.[6] About one-third of the organizations are faith-based. (See Figure 1.) Almost 90 percent of the agencies are classified as having almost all or mostly low-income clients ("mostly" is defined as 61 percent or more); 50 percent of the agencies serve almost all or mostly families with children on public assistance.

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service: local ethnographers' knowledge of the agency's reputation within the neighborhood, the number of clients served, the frequency of service provision, the amount of funding, and the agency's mission statement.

[6]The sample includes nonwelfare government agencies that provide key social services to residents in the neighborhoods. The majority of the government agencies are public elementary schools or community colleges.

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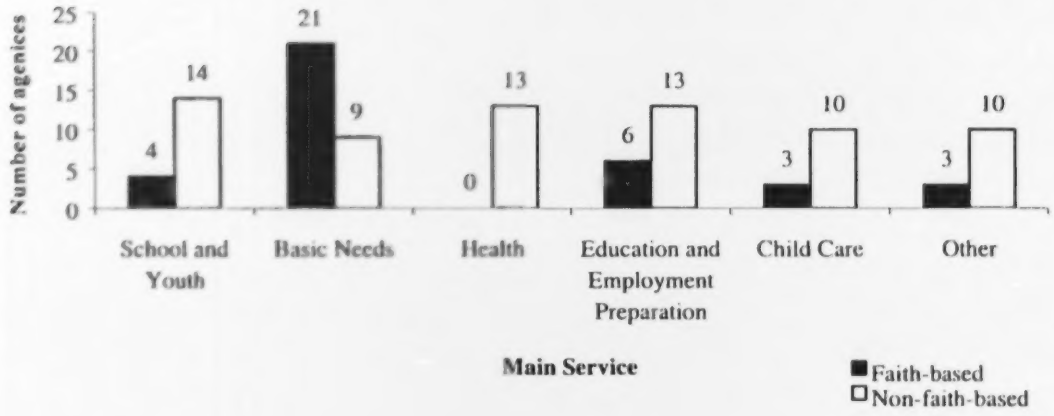
Figure 1

Faith-Based Status, by Main Service



SOURCE: MDRC calculations using Round 1 Institutional Study data.

Based on the size of their total annual budget, about one-quarter of the organizations qualified as large (with a budget greater than $1 million), another quarter were medium-sized (more than $200,000), and a similar number were small (more than $50,000). Less than 10 percent of the sample had very small budgets ($50,000 or less).[7] Over 10 percent had 51 or more paid staff, about 40 percent employed between 11 and 50 staff, and another 40 percent had 10 or fewer paid staff members. In addition, less than 10 percent had no paid staff and relied entirely on volunteers. (See Figure 2.)

C. Description of the Interviews

Local researchers conducted structured interviews with administrators and other key personnel. They spoke with agency and/or program directors, whenever possible.[8] This report is based on interviews conducted between March 1998 and March 1999. Although this time period was relatively early in the implementation of welfare reform, sufficient time had elapsed since the implementation of the new policies that it is reasonable to assume that respondents were familiar with them. All interviews were conducted at least one year (in Philadelphia and Miami) or six months (in Cleveland and Los Angeles) after the start of welfare reform. Still, as Table 5 shows, welfare recipients had not yet reached time limits during the interview period, so the full impact of the new policies would not be expected to appear in these interviews.[9]

Interviews covered each agency's mission and history, staffing, budget, clientele, and the services currently offered as well as those planned for the next year or two. Researchers asked respondents about their knowledge of welfare reform, their views of the new policies, perceptions of how the policies have affected their agency so far, and their expectations of how the policies would affect the agency in the future. To supplement the interview data, we also collected printed materials, such as annual reports or flyers advertising services, from most of the agencies.

III. What Do Service Providers Know About Welfare Reform?

A. Overall Levels of Knowledge

For agencies to respond effectively to changes brought about by welfare reform, they must understand the nature of the new policies. Thus, to assess agencies' knowledge of welfare reform, we asked respondents what they had heard about changes in welfare policies that affect families with children. Responses from about three-quarters of the agencies indicated an awareness of welfare reform.[10] However, most respondents in this group expressed awareness only of basic, nationwide changes aimed at reducing welfare rolls and getting welfare recipients into the workforce. The respondents generally knew about the time-limited nature of welfare benefits

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[7]Budget information could not be obtained from 16 percent of the sample.

[8]These respondents are treated as expert informants for their agencies, and thus we did not require verification of budget, staffing, or other information discussed during the interview. In some cases, we did receive annual reports, formal budgets, and other materials that were used in the analysis.

[9]A second round of interviews with each of these agencies occurred roughly one year later, which will provide further information about how agencies have been affected by welfare policies.

[10]This estimate is conservative for two reasons. First, the respondent who was interviewed was not necessarily the person most knowledgeable about welfare reform at the agency. Second, responses that were unclear were included in the group coded as "not knowledgeable," so these respondents may have known more about welfare reform than their interviews captured.

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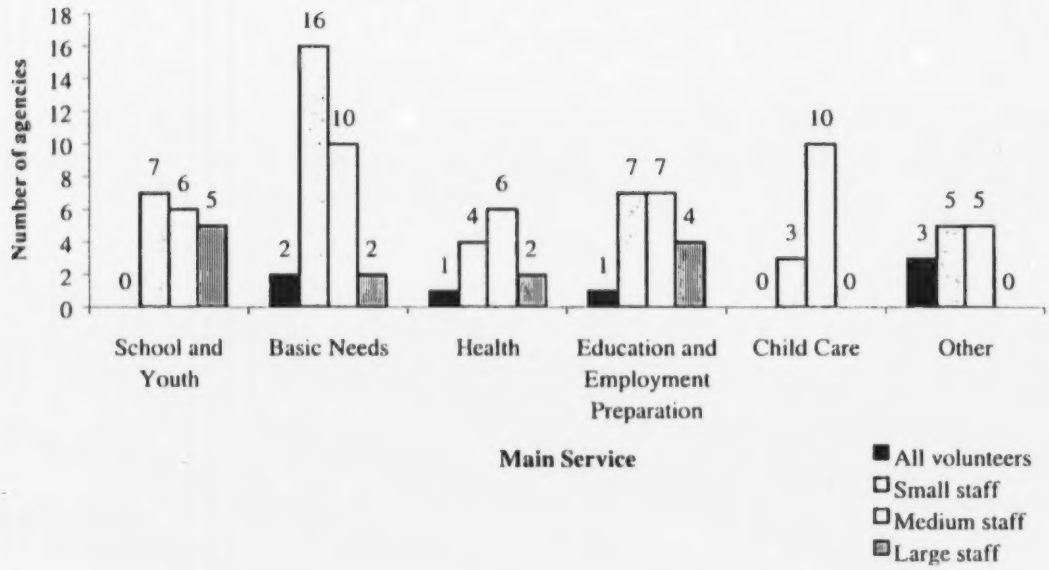
Figure 2

Staffing, by Main Service



SOURCE: MDRC calculations using Round 1 Institutional Study data.

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Table 5

Key Policy and Interview Dates, by Site

	Cuyahoga County	Los Angeles County	Miami-Dade County	Philadelphia County
Welfare reform implementation began	October 1997	January 1998	October 1996 (time limits, work requirements) May 1997 (full-family sanctions)	March 1997
Institutional interviews conducted	June 1998 to March 1999	July 1998 to February 1999	May 1998 to February 1999	March 1998 to September 1998[a]
Intermediate time limit goes into effect	None	October 1999 or April 2000 (work trigger: 18 or 24 months for new and ongoing clients, respectively)	October 1999 (interim-termination: Almost all clients with 2-year time limits got 1-year extensions.)	March 1999 (work trigger: 24-month work requirement)
Lifetime time limit goes into effect	October 2000[b]	January 2003 (children still eligible for benefits)	October 2000	March 2002

SOURCES: Quint et al., 1999, and MDRC calculations using Round 1 Institutional Study data.

NOTES: [a]One of the 30 interviews in Philadelphia County was completed in March 1999.
[b]After 36 months, recipients are ineligible for the next 24 months, and then if there is "good cause," they could be eligible for another 24 months after that period.

and/or about the renewed emphasis on employment, but they knew little about the specific policies implemented in their locale. For example, one respondent said: "The mothers have to get out, get educated, and become self-dependent. That's basically what it is." Still, some respondents were quite knowledgeable about the particulars of the new policies. For example, the following indicates a Philadelphia respondent's familiarity with the new policies:

> The government is trying to transition families from welfare check to self-sufficiency. Welfare parents have a total of five years to become self-sufficient. They are pushing parents to get work within two years. The first two years ended on March 3. Welfare parents had to develop a plan for self-sufficiency with their caseworker. Money has been provided for transportation and child care. Some people are excluded because of physical handicap or parental obligations.

Similar numbers of respondents from all types of agencies, except for health services, expressed knowledge about welfare reform. About three-quarters of agencies in each of the other categories knew something about welfare reform, but only one-third of the health agencies had such knowledge. We suspect that because health care agencies focus somewhat narrowly on Medicaid, these respondents were less likely to be aware of time limits or work requirements for cash benefits.

B. Knowledge Level, by Site

Contextual factors seem to have influenced respondents' knowledge about welfare reform. Staff from more agencies in the northern cities — Cleveland and Philadelphia — were knowledgeable about welfare reform policies than their counterparts in Los Angeles and Miami.[11] In Cleveland and Philadelphia, responses of the agency staff indicated that at least 8 out of 10 expressed a general awareness of welfare reform, compared with less than 7 out of 10 in Los Angeles and with 6 out of 10 in Miami.[12] (See Table 6.)

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Table 6

Knowledge of Welfare Reform, by Site

	Cuyahoga County	Los Angeles County	Miami-Dade County	Philadelphia County
Expressed some knowledge about welfare reform	25 (83%)	13 (68%)	13 (59%)	26 (93%)
No evidence of knowledge about welfare reform	5 (17%)	6 (32%)	9 (41%)	2 (7%)

SOURCE: MDRC calculations using Round 1 Institutional Study data.

C. Knowledge of Specific Aspects of Welfare Reform Policies

In response to the question about what they had heard about welfare reform, respondents touched on several aspects of the new policies.[13] The temporary nature of welfare benefits was the most cited aspect of welfare reform. Of all the agencies whose respondents knew something about welfare reform, 73 percent mentioned time limits. Nonetheless, most of these responses provide

[11]Differences in the number of health agencies from each site were not large enough to account for the differences in knowledge levels across sites.

[12]Possible explanations for the somewhat lower level of knowledge in Los Angeles include the fact that welfare reform began later there, so less time had elapsed from the implementation of welfare reform to the interviews than had passed in the other sites. However, welfare reform was implemented first in Miami, where the fewest respondents expressed knowledge about welfare reform. Further examination of these differences will be important as administrators of welfare programs work to educate local agencies about policy changes.

[13]The responses about specific welfare policies were, for the most part, provided without prompting about specific policies from the interviewers.

only a general sense of the limits now placed on receipt of welfare benefits, as illustrated by the following: "The new requirements are that people have short-term stay[s] on public assistance" and "We're very much aware that in this state the clock is ticking, it has been ticking for a while, for those persons who are on public assistance to prepare themselves to come off welfare."

About one third of the knowledgeable respondents in Cuyahoga, Los Angeles, and Philadelphia provided detailed information about time limits.[14] For example, one Philadelphia respondent correctly identified that "there is a five-year time limit; there is a two-year work-related-activity time limit." Several Los Angeles respondents noted that California's time-limit policies apply only to the adult's portion of the TANF grant. As one Los Angeles respondent said, "Children will always get aid." Several Philadelphia respondents commented that large numbers of the city's residents would be affected by time limits. This could be influenced in part by the local media.[15] For instance, one respondent reported: "A lot will be struggling after the March [1999] deadline hits. They need to get some 59,000 off the rolls in March and that is a huge task."

Respondents also frequently mentioned the new emphasis on getting welfare recipients into the workforce. For example, a Cleveland respondent said:

> The focus has changed from a long-term assistance to getting them into work and getting them off the rolls of welfare. And, everything seems to be centered around whether they're working or not and training.

Also, a Philadelphia respondent mentioned:

> There are provisions that you must be working during those restricted years — you have to make an effort to get in job training or school or a job that fills the requirement that you are in a work-related activity.

Respondents from more agencies in Cleveland than in the other sites mentioned sanctions. One-third of the Cuyahoga respondents mentioned sanctions, as did a few from Philadelphia, whereas sanctions did not come up among respondents in the other two sites.[16]

D. Sources of Knowledge About Welfare Reform

Respondents reported learning about welfare reform from a variety of sources. The most frequently mentioned sources of information were the welfare department or other government agencies and professional and social contacts. Some mentioned personal contacts with welfare office staff. Respondents also obtained information from their clients, news media, and seminars or other training opportunities within their agency. About three-quarters of the respondents mentioned more than one source. Ultimately, though, there was no clear correlation between the extent of respondents' awareness about welfare reform and the source of that information, although those who mentioned more than one source of knowledge were slightly more likely to be aware of welfare reform.

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[14]None of the Miami respondents provided details about time limits.

[15]See, for example, Dillon and Blue, 1998; Leary, 1998; Moran, 1998; and "Ridge Announces. . . ."

[16]Respondents in Philadelphia and Cleveland were generally more knowledgeable about welfare reform than respondents in the other sites. In addition, there was a period of widespread sanctioning in Cleveland.

IV. What Do Agency Staff Think of Welfare Reform?

The broad, if at times shallow, knowledge of welfare reform formed the basis for respondents' opinions about the new policies. The overwhelming majority of agencies expressed either mixed (62 percent) or entirely negative (27 percent) views of welfare reform. These views were quite consistent across sites and types of agencies.[17]

The majority of respondents with mixed or positive views endorsed the employment goals of welfare reform. Some embraced the focus on self-sufficiency and/or eliminating misuse of welfare funds. For example, when asked his opinion of the goals, one respondent from an elementary school in Miami said: "From what I've heard, I like them. I think that there's a problem with giving people something and getting nothing in return."

However, despite common support for the stated goals of welfare reform, only 1 in 10 agencies wholeheartedly endorsed the new policies. Many of those with mixed or negative views thought that the stated goals of welfare reform were admirable but unrealistic, especially given the immediacy of time limits. Respondents described a broad range of concerns:

- **There are not enough jobs available, and women on welfare will not be able to sustain employment.**

For example, a staff member at an education and employment agency in Philadelphia simply stated, "[Welfare reform] will not work, because there are not enough jobs." A manager from a public housing project in Miami explained:

> I think the overall goals are great, to help people become self-sufficient, to be able to become independent. . . . I think that part is great, but again, it's one thing to preach welfare reform; it's another thing to make jobs available and [for] people to keep these jobs. You just can't go out and tell anybody you're going to give them a job. What are you going to do to ensure that they keep the job?

Also, a respondent in Los Angeles claimed, "The business community has not stepped up to help transition people to work."

- **Clients need more education and training.**

For example, a representative of a church in Philadelphia asserted: "There is nothing wrong with encouraging people to work, but you have to provide them with adequate training and then make sure that the jobs are out there for them. The current welfare reform has not done this."

- **Clients need additional supportive services.**

For example, one respondent from a parochial school in Los Angeles felt that welfare reform had not adequately addressed working clients' needs for child care and reliable transportation:

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[17]Respondents from the health agencies were somewhat more negative than those from other service categories, with 50 percent expressing completely negative views and 50 percent expressing mixed views. However, most of those with completely negative views also did not express knowledge of welfare reform. Further, the interview may have recorded their views about changes in health care policy that went beyond TANF.

> In theory, I applaud the efforts to have people working. In practice, there are major flaws with welfare reform. I don't think the welfare reform was thought out completely. When poor people are working, there are new sets of needs that arise. Mostly things like child care, transportation, the stuff that nonpoor people take for granted.

- **Welfare reform will work only for select groups of recipients.**

A respondent from Cleveland thought that welfare reform was helping some — specifically, people who had some kind of work history — but that it would not help those who have never worked. Another Cleveland respondent made a similar comment:

> Cleveland Works...has been touted as a model program. But [they] took people with a work history, with education, and [the program] turned them around, so it looked like a big success. But this hasn't and won't work with people who come from generations of assistance. That is a different nut to crack, and this program is not going to work for them.

Respondents also predicted a number of negative outcomes from welfare reform. For example, several respondents from the school and youth agencies felt that children would be negatively affected by changes that welfare reform will bring upon families. For instance, the principal at one school worried that children would not be prepared for school because of the chaos of home life. He thought that the financial stressors might push families to move (for example, if they can't pay rent) and that students might be moving from school to school. In addition, a respondent from a battered women's shelter thought her clients would have a much more difficult time adhering to the welfare rules and would be more likely to be sanctioned, if (for example) abusive partners refused to allow them to go to work or have money for transportation to work.

A minority of respondents explicitly criticized the entirety of welfare reform, goals and all. For example, an advocate from Philadelphia stated: "They [the goals] are inhumane. You can't throw people off the rolls if there is nothing there to replace it...it is a violation of their economic human rights and dignities." Others emphasized discrimination; one respondent from a reproductive health clinic in Cleveland said, "We think it's more than acceptable for a suburban woman to stay home with her children, but when a poor woman wants to stay home and raise her kids, we condemn her for it."

V. What Has Happened So Far? Early Effects of Welfare Reform

Regardless of their opinion about welfare reform, respondents in our sample described immediate, if limited, effects of the new policies. The biggest effect has been changes in the demand for services in some education and employment preparation agencies, with experiences varying across types of agencies and location. Respondents also revealed limited changes in services offered and in their relationships with welfare agencies.

Recent trends in agencies' staffing and budgets correspond with respondents' descriptions of the limited effects that welfare reform had on their services. The vast majority reported minimal or no changes (either increases or decreases) in their staffing in the past year. Similarly, there is little evidence of changes in funding. Given that respondents did not describe significant increases in staffing or funding, it makes sense that service changes in response to welfare re-

form were limited.[18] However, the staffs of some adult education and employment preparation agencies did significantly expand. These exceptions were beneficiaries of new contracts from the welfare department (that is, they received new funding as well) and were better able to expand or modify their services.

A. Changes in the Demand for Services

- **Education and employment preparation providers experienced changes in demand, although some experienced declines in participation while demand at other agencies rose.**

In discussing changes in demand attributed to welfare reform, slightly more than one-third of respondents from education and training agencies described increases in participation, while almost one-fifth reported decreases (the remaining half of agencies in this study did not report a difference in participation due to welfare reform). Agencies' experiences varied by site. In Cleveland and Los Angeles, they were split between those facing increases and those not affected. Agencies in Miami reported no change in participation. In contrast, four of the five education and training agencies in Philadelphia reported declines in participation.

The experience in Philadelphia reveals the importance of local welfare reform policies. When Pennsylvania's welfare reform initiative began, its implementation focused on making sure that all recipients began an initial eight-week job search. During the first year of the new policy, agencies lost participants when large numbers of recipients were called to the welfare office and mandated to look for a job.[19] When discussing the effects of welfare reform, respondents explicitly attributed lower participation to the job search mandate: "People [are] leaving class for [the] job search requirement."[20]

In addition to the job search requirement, Philadelphia education and literacy programs were hurt by new policies and messages governing participation in education and training. Before welfare reform, welfare-to-work services consisted primarily of referrals to education and training. In contrast, starting with welfare reform in 1997, welfare staff emphasized quick entry into the labor force. Education and training were still available to welfare recipients, but these services counted toward meeting the work requirement for only up to 12 months during the first 24 months. (Since welfare reform, a recipient who participates in education and training for more than 12 months must also participate in another work-related activity.)

Welfare caseworkers played a crucial role in delivering messages about the new rules and referring recipients to acceptable activities. During the first year, rules and messages about education and training were not clearly relayed to recipients (Quint et al., 1999, pp. 163-164). Re-

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[18]For our purposes, a "significant increase" is an increase of at least 10 percent in the number of staff.

[19]Although basic education and literacy programs were the hardest hit by the job search requirement, other Philadelphia agencies offering programs with incompatible time commitments were also affected by the job search requirement. For instance, a respondent from a basic needs agency that runs a program on nutrition, health, and life skills observed that attendance declined during the fall of 1997 because of the job search conflicts.

[20]Not all agencies in Philadelphia experienced declines. A respondent in one of the five education/training agencies (one of which focused on vocational training, not basic education) noted that, as a result of the welfare-to-work requirements, they were "seeing a lot more women who need to get into a program."

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marks from respondents at a large multi-service agency reveal that agency staff felt that the initial lack of clarity about the new rules affected participation in their education programs:

> Adult education has always had a huge waiting list. Now there are slumps because they [recipients] are being told "you can't go to school" or the caseworkers imply that they cannot go. Around January [1998], things started to straighten out again and caseworkers began referring people here again.

Another staff member at the agency said that some of the students who quit their education class to conduct a job search came back, but whether they did or not depended on the caseworker. Some caseworkers kept up with their clients after the job search — followed up with them to decide what the next step should be (for example, education) — and some did not.

Welfare reform policies in Cleveland also reduced the focus on education and training, but these options were still readily available. Recipients in Cleveland were immediately required to participate in work-related activities for at least 30 hours per week. Up to 10 of these hours could be spent in activities including basic education and General Educational Development (GED) classes, post-secondary education, and counseling related to employment. In contrast to Philadelphia recipients, who all conducted a job search as their first activity, Cleveland recipients underwent an assessment and then were assigned to one of several options that included education, training, and work experience in addition to job search.[21] These differences may explain why the education agencies in Cleveland did not experience declines in participation and why they were more apt to report increases.

As in Cleveland, education agencies in Los Angeles reported either an increase or no change in participation as a result of welfare reform. Unlike in Philadelphia, where most of the education agencies in our sample focused on basic education or literacy, the education agencies in Los Angeles were primarily vocational training agencies, some with ties to that site's welfare-to-work program (CalWORKs), which may explain the difference in agencies' experiences. Although Miami also switched to a work-first welfare approach that emphasized job search (while still allowing some education and training services), education and employment preparation agencies in Miami reported no change with respect to participation. It is possible that the slower implementation of policies in that site accounts for the lack of effects on education and training agencies.

- **Most basic needs agencies did not report major changes in demand. Cleveland's experience, however, provides evidence that changes in income can affect the demand for food and other emergency services.**

Most basic needs agencies did not report increases in demand for food or emergency services due to welfare reform.[22] Several of Cleveland's basic needs agencies, however, reported a

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[21]After an initial assessment, clients without a high school diploma or GED could take adult basic education, GED, or high school classes for up to five hours a week, and recipients with reading and math scores at the eighth-grade level or higher could attend employment-related training for up to 40 hours per week (for 52 weeks) (Quint et al., 1999, pp. 58-60).

[22]One Philadelphia respondent noted that because the agency limited the number of referrals it accepted, staff would not be aware of changes in demand for food. A few agencies in all the sites mentioned increased demand for food or resources, but reasons other than welfare reform were also given, such as an increase in poor immigrant cli- (continued)

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notable increase in the demand for emergency assistance that was tied to a rise in sanctioning.[23] One respondent commented that, as a result of welfare reform, in the past year they had gone from giving food at the pantry once every two months to once a month — noting:

> The biggest impact has been people who've been sanctioned for some reason or another, you know, requesting rent, or utilities. And I know the biggest part of the sanctioning hasn't happened yet. But, I think that's been the most evident impact.

A respondent at another Cleveland basic needs agency pinpointed the timing of the increase in demand to January 1998. Starting then, many more families who came in reported that they had been sanctioned and needed help desperately.

- **There is some evidence that demand for child care did increase. However, most child care agencies did not report changes in participation, in part because their centers were already operating at capacity.**

Only a few child care agencies reported changes in the demand for services and participation as a result of welfare reform. For instance, the director of a Philadelphia child care center said that enrollment fluctuated significantly when welfare recipients fulfilled their job search requirement: "We have now revolving-door daycare here. Kids are in for eight weeks while their moms are in the training program and then they're out." A Cleveland center that is now open 24 hours a day provides another example; it reportedly began its third shift, which keeps the center open all night, because of welfare reform, in order to serve mothers who do not have daytime jobs.

Although most respondents from child care agencies did not report changes in participation in their own centers, there is some evidence of an overall increase in need for child care. One reason that enrollment in child care programs did not change is that over three-quarters of respondents reported that their agency was already serving the maximum number of children, and most had a waiting list. For example, one respondent from Miami described increasing demand for services even though parents could not be accommodated:

> Because right now parents are trying very hard to find jobs and stuff because of the welfare reform. They have a certain date, if they don't they'll lose their funding source. So, we've been turning people down quite frequently [since welfare reform].

Other child care providers were unable to serve particular child care needs. For example, one Los Angeles respondent who works with several child care centers noted that part-time programs cannot accommodate the needs of working parents.

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entele, rising numbers of single males who lost cash assistance (general relief), and general poverty in the surrounding neighborhood. A handful of agencies reported increases in the demand for food or emergency services due to welfare reform, but they did not provide details to support the idea that welfare policies caused the increase. Several community development agencies in Philadelphia also stated that needs for food had increased since welfare reform.

[23] A key element of Ohio's welfare reform policy is a full-family sanction, in which the entire family's cash benefit is eliminated for a period of time. At the end of 1997, the Cuyahoga welfare agency instituted a massive call-in of recipients, and those who did not show up were sanctioned (Quint et al., 1999, pp. 63-66).

B. Changes in Services Provided

- **A few education and employment preparation agencies reported making some changes in their curriculum in response to welfare reform.**

A handful of education and training organizations, especially in Philadelphia, reported that, as a result of the new focus on employment (rather than remedial education) and time limits on receipt of cash assistance, they have shortened the courses they offer. One staff member from an education agency in Philadelphia remarked that "the fallout of welfare reform is that [recipients] end up with denser services in shorter time periods."

For some agencies, shortening the curriculum also involved changing the messages they gave to clients as well as other adjustments in the classroom. For example, the following comments from a respondent at a Philadelphia education program illustrate how the new policies have changed the time frame in which agencies work with students:

> Counseling is different. [We] used to counsel that education was a way out of poverty and that people should take their time doing it. Now we have to tell them to rush. There are a lot more short-term goals now. We have to address counseling in the classroom knowing that there is a higher anxiety there. ...Teachers are having to go over the materials a lot because they are getting interrupted. Students have to be out of classes for a month for training and then need to catch up when they come back and this creates repetition.

A few agencies noted that they had changed course content to align it with the work-first approach. For example, one respondent noted, "We already have incorporated a job readiness component in all of our classes — let them learn to write [a] résumé, cover letter." Another stated, "There has been a shift from 'basic skills' to 'work first, then provide skills.'"

Another theme in the interviews is that the new policies have changed the stakes for clients, which, in turn, has affected the outlook of staff members who work with them. As one Philadelphia respondent observed, "The teachers are panicked and frenzied because they know the pressure the students are under." A respondent from a Cleveland agency that had applied for a grant to serve additional welfare recipients felt similarly — that staff now would have greater responsibility to ensure that clients followed through with the program and that the risk of sanctioning would compel staff to keep closer watch on clients.

- **Child care centers, schools, and youth agencies reported changes in the number of parent volunteers.**

Some child care centers, schools, and youth agencies noted that as welfare recipients found employment or began training programs, the agencies lost volunteers. For example, one respondent from an elementary school in Los Angeles said:

> Many young mothers are scared of the changes and are in a hurry to comply with looking for a job or getting back into school. [Here], sad to say, it has reduced the amount of parent volunteers that we have and the amount of time that the volunteers spend at our school. I expect to see even less volunteerism in the next year or so.

In other cases, where volunteers' time was credited toward their work requirements, agencies reported increased numbers of parent volunteers. For example, one Cleveland school increased the number of parent volunteers through the community work experience program (CWEP).

C. Relationship of Agencies with Welfare Department

Social service agencies' relationship with the local welfare departments takes many forms. Funding, placing recipients in community service slots, general communication about policies, and communication about particular recipients were all affected by new welfare policies.

- **Some education and employment preparation agencies gained funding through new contracts with the welfare department to serve welfare recipients.**

Welfare agencies in each city hired contracted service providers. The few education and employment preparation agencies in the sample that reported having such contracts were all relatively large and had well-established contractual relationships with the welfare departments. One of these providers said that welfare reform had been "profitable" as a result of contracts from the welfare department. Other respondents, when interviewed for this study, were waiting to hear whether their agencies would be awarded new contracts. For example, in talking about the effects of welfare reform, a respondent in Cleveland noted that if the agency got the grant from the county, virtually all its clients would be welfare recipients.

- **Agencies in Miami and Cleveland provided opportunities for recipients to work in community service jobs.**

Since welfare reform, new relationships have developed between welfare departments and agencies that provide community service jobs for welfare recipients. Community service jobs allow welfare recipients to meet their work requirements by serving as volunteers, which keeps them eligible for TANF benefits. Welfare reform policies in Miami and Cleveland included options for recipients to work in community service jobs in order to fulfill their work requirement. Five respondents in each of these sites reported that recipients were working in their agency in a community service slot.[24]

Taking on individuals in community work slots can have a big effect on an agency. One basic needs agency in Cleveland reported that it accepted about 150 volunteers over the course of a year, and some agencies said that this was a mutually beneficial arrangement. But one respondent described a different experience:

> Well, I think some of the attitudes have been, well, I have to do it to keep getting my benefits. That's what happens.... I've had two experiences with mothers that, yes they want to work, but when you tell them to do something, they don't want to do it. They know they have to be here for four hours because that's what their contract says and they just try to bide their time.

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[24]Philadelphia also has community service and transitional job programs, but these programs began after the data from these interviews were collected.

- **Communication and information-sharing between welfare agencies and social service agencies are crucial. Some agencies reported that they had tried to influence the implementation of policies to benefit their clients.**

A few respondents mentioned that their agencies had tried to influence welfare policies and their implementation. For instance, a respondent from a shelter for survivors of domestic violence noted that they were trying to work with the welfare staff, instructing them to record information about the possibility of domestic violence so that workers could be cautious (for example, with a recipient's address) and could still provide appropriate referrals when needed. Staff from this agency also joined a welfare reform task force that met monthly and consulted with county officials who oversaw the welfare system. At these meetings they raised several issues related to the definition of a work activity, and they made suggestions about how welfare caseworkers should handle such issues as domestic violence.

D. Summary: Early Effects of Welfare Reform

In the early implementation phase, welfare reform did not transform social service agencies. Nonetheless, some agencies did begin to experience changes that they attributed to new welfare policies. (See Table 7.) Basic education and literacy programs in Philadelphia suffered drops in participation when clients in that city responded to the welfare department's new job search mandate. In response, some of these agencies reported changing their curriculum in order to retain students. Education agencies in the other cities reported either increased participation or no effect from reform, which points to the importance of local policies. New contracts from welfare departments contributed to increased participation in job training and employment preparation programs. A minority of agencies responded to the new needs and demands caused by welfare reform by taking on recipients in community service slots and attempting to advocate for their clients through communication with the welfare department.

In the early stage of welfare reform, basic needs agencies appeared to be less affected than education and employment preparation agencies. However, a few agencies in Cleveland experienced increased demand that they attributed to a rise in sanctioning by the welfare department; they provide a cautionary exception to this trend.

VI. Future Effects of Welfare Reform

Respondents were asked whether they thought welfare reform would affect their agency in the next year or two. The predominant response among all types of agencies was that they did expect welfare reform to affect them. Most anticipated changes in the demand for services; many fewer mentioned changes in the delivery of services or in funding. (See Table 8.)

A. Expected Effects on Participation and Demand

Agencies' expectations depended more on the type of services they provided than on local policies or conditions. The vast majority (including most basic needs, child care, and family well-being agencies) expected increased demand. Education and health agencies were more divided in their expectations.

Table 7

Early Effects of Welfare Reform, by Main Service Category

Service Category	Changes in Demand	Changes in Services	Relationship with Welfare Departments[a]
Education and employment preparation	Some experienced declines, and some experienced increases. Changes varied by site (e.g., declines in Philadelphia).	Shorter courses, more emphasis on employment	Funding increased for contracted service providers.
Child care	Most reported no change in the number of clients served. Capacity and other restrictions may have masked overall increase in demand.	Fewer volunteers in some agencies, more in others	No change reported
Basic needs	Most reported no change. Several Cleveland agencies experienced an increase associated with sanctioning.	No change reported	No change reported
Health	Most reported no change.	No change reported	No change reported
School and youth	Most reported no change.	Fewer volunteers in some agencies, more in others	No change reported
Other	Most reported no change.	No change reported	No change reported

SOURCE: MDRC analysis using Round 1 Institutional Study data.

NOTE: [a]In Miami and Cleveland, welfare recipients were allowed to fulfill their work requirements with community service jobs at some of the agencies in our sample.

- **Most basic needs agencies expected demand for food and emergency services to increase. They attributed this increase in demand to welfare reform — specifically, to the expected loss of benefits.**

Roughly two-thirds of the basic needs agencies expected welfare reform to increase demand for food, clothing, and other emergency expenses in the next year. Although many respondents did not elaborate beyond tying the expected increase in demand to welfare reform, some attributed it to time limits and/or to people's losing welfare benefits. Two Miami respondents

Table 8

Expected Effects of Welfare Reform, by Main Service Category

Service Category	Changes in Demand	Changes in Services	Expectations About Funding
Education and employment preparation	Employment-focused agencies expected demand to increase; basic education agencies were unsure whether demand would increase or decrease	Shorter courses, more emphasis on employment	Optimistic about future funding
Child care	Expected demand to increase, especially for full-time care	Changes in hours	None reported
Basic needs	Expected demand to increase	Expanded hours	Pessimistic about future funding
Health	Half expected no change; some expected demand to decrease as people lost insurance coverage	No change expected	None reported
School and youth	Expected demand to increase	No change expected	None reported
Other	Expected demand to increase	No change expected	More money and competition among community development agencies

SOURCE: MDRC analysis using Round 1 Institutional Study data.

cited issues associated with immigrants as reasons for rising demand; one believed that "the new immigrant flows of the past three years will not abate," and the other attributed increased demand to the changes in immigration laws as well as to welfare policies.

One Cleveland respondent said that there might be counterbalancing increases and decreases in demand, if not in need, noting that although sanctioning might increase demand, "when people go to work you know they are less able to take advantage of us, of the services here."

- **Agencies that focused on family well-being, community development, and advocacy also expected that demand for their services would increase.**

Like the basic needs agencies, agencies that focused on community development, family well-being, and advocacy thought that demand for their services would increase when families'

incomes declined, particularly when time limits hit. One respondent from a community development agency foresaw problems when welfare recipients reached their time limits:

> I think we will see more housing counseling needs — more people defaulting and delinquency, also more problems with keeping the utilities on. We've started to see this already. The emergency services we offer will be affected more by the welfare reform than our other programs, I think.

Respondents from other types of agencies also predicted that welfare reform would affect the demand for and participation in their services. However, the underlying reasons for their expectations differ. Whereas respondents from basic needs and family well-being agencies tended to anticipate a rise in demand as a result of recipients' losing benefits without adequate income to replace them, respondents from education and employment preparation, child care, and youth agencies expected to be affected because more recipients would look for and obtain jobs or would participate in programs that lead to employment.

- **Education and employment preparation agencies expected welfare reform to affect them, but they had mixed views on whether they would experience an increase or a decrease in participation.**

The vast majority of education and job training agencies expected that welfare reform would change the demand for their services. Vocational training and employment preparation agencies expected demand to increase. The respondent from the vocational training agency in Philadelphia who had already seen demand increase thought that this trend would continue and that the agency would experience "greater demand in the next year or two because former welfare recipients will have to get into a program. Both because of welfare requirements and when they realize that they need a better education or degree to get a job that pays enough to support a family."

Respondents from agencies that focused on basic education and literacy also thought they would be affected by welfare reform, but they were less sure whether they would gain or lose students. For example, a respondent from Philadelphia said she expected "an increase in demand for GED because there is more demand for that from employers — people need more skills for jobs." A little later in the interview, however, she noted, "there is also the potential to lose a lot of students and have trouble with retention when the March 3, 1999 [two-year work requirement] limit hits." Another Philadelphia respondent also noted fluctuations in participation due to increased employment: "[We] expect to see people in and out of class as they cycle in and out of jobs."

- **Child care and youth agencies expected that demand for services would increase.**

Most of the child care agencies expected welfare reform to raise demand for child care services, particularly for full-time programs, because parents who are working would need more hours of child care. Several, however, also noted that they were currently operating at capacity, so although their waiting lists would grow, they would not serve more children. Likewise, several youth agencies thought that demand for their child care and youth programs would increase: "As more welfare families are forced to go back to work there will be greater demand for child care, daycare, and summer camp."

- **Health agencies were split on their view of the future effects of welfare reform.**

About half the health agencies in the sample did not anticipate changes as a result of welfare reform. The others expected a rise in the number of uninsured clients (attributed to former welfare recipients' losing Medicaid), which some in this group said would lower demand.[25] As stated by a respondent from a mental health agency:

> I think that as people lose their Medicaid we're going to have problems of a very needy population, because even though our fee goes down to five dollars, it's incredible how some people cannot even pay the five dollars. So, they stop coming.

B. Changes in Services Provided

For the most part, agencies were not planning major changes in the delivery of services, and the changes that were anticipated mirrored those already in the works (discussed in Section V). For instance, the most notable changes in services involved emphasizing employment-related programming, shortening services, and changing hours to accommodate employment among former welfare recipients.

- **Agencies were planning to change their curriculum to accommodate the new needs arising from welfare reform.**

Several education and job preparation agencies discussed plans to change their curriculum in response to welfare reform; basically, they were planning to emphasize employment and make services shorter. For instance, one vocational training provider from Los Angeles was "trying to revamp [the] curriculum to short-term modularized training from 18-week long-term training." Two Philadelphia respondents mentioned plans to add work components through internships so that clients could attend their program while also fulfilling their work requirement. As agencies planned to add employment preparation to their menu of services, they were learning what types of help this involves. One respondent, who noted that her program was trying to make employment preparation an "even more meatier part of the program," told of her experience:

> Where I say, "You know you are going on an interview, please dress appropriately." And a person comes in wearing like a party dress. At first I got very angry.... And when I spoke to her that was the most expensive, nicest thing she had in her closet and that was her idea of appropriate.

One large multi-service agency has developed several programs in response to welfare reform, including a pilot test of a welfare-to-work literacy program. According to one respondent, traditional literacy programs operate 20 to 30 hours per week, but this agency is planning a

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[25]A few of these agencies reported that declines in the number of insured patients had already begun. They attributed this to the loss of Medicaid among former welfare recipients. As one interviewee from a Miami health agency put it: "As the new laws have been changing, as [welfare recipients] go off the welfare roll here in Florida, many times they don't know how to retain their Medicaid. So, those people who used to come in here in which we used to be able to [recoup] part of the costs of services by billing Medicaid, we can no longer do that." A respondent from a public health care center in Philadelphia that also had already experienced a reduction in insured patients ascribed this change not only to welfare reform but also to changing demographics, as working-class and middle-income people were leaving the neighborhood.

program of eight hours per week that will run in conjunction with an after-school program. The program will also include job readiness and some advocacy to help recipients find activities that meet the work requirement. A very senior welfare official "promised in writing that the eight hours would count towards the work requirement." Despite this access to a top welfare official, the respondent observed that "the question really is, Will these agreements translate to the caseworkers and will the women hear about them and their opportunities?"

- **Some education and employment preparation and child care agencies expected to change or expand their service hours.**

A number of education and training and child care agencies anticipated a need to change their schedule of services, to make them more accessible for working families. Several education and job preparation agencies planned to offer more evening and weekend services to accommodate students who have jobs.

Several respondents from child care agencies mentioned plans to expand their hours by changing to full-time and year-round programs to accommodate working parents. Child care respondents, however, also spoke about the difficulty of making this change. For example, one respondent from Cleveland said that she might have to quit if the program switches from part-year to year-round. The needs of the children in her program are so demanding that she could not imagine serving them year-round or imagine being able to find enough qualified staff at the salary offered.

For the most part, basic needs agencies did not mention plans to change their hours. One exception was a respondent at a Cleveland agency who had thought about keeping the food services open later to accommodate women who get off work at 5 P.M. and have to pick up their kids at the daycare center. Another respondent, who worked at a shelter, pointed out that the curfew would be a problem "if all the jobs out there are from 12 to 7 A.M."

- **Welfare reform is only one of many forces causing these agencies to change their services. Examination of the agencies' plans reveals that although many new services are relevant to welfare reform policies, other issues are also motivating changes in services.[26]**

Some agencies' plans are in accord with new welfare policies in that they stress employment preparation or are responsive to the increased demand for child care and youth services. Although these plans are not necessarily attributable to welfare reform, they do respond to the increased demand that many agencies expect to occur as a result of welfare reform. For instance, a few education programs will be changing their emphases by adding services to help welfare recipients gain skills that are valuable in the job market. Several are also working to include employment preparation in their computer literacy courses. A respondent from a church described plans to open a supermarket and provide employment in the area, with an emphasis on jobs for

[26]As part of the Institutional Study interviews, respondents listed all the programs and services they were currently providing and those in the planning stage. The section of the interview that captured agencies' plans for new services did not take into account whether or not the changes were connected with welfare reform. This part of the interview may have been more likely to pick up wholly new programs or services, whereas the part of the interview that was concerned with welfare reform may have been more likely to uncover changes in existing programs that would accommodate new needs associated with welfare reform.

former welfare recipients.[27] Other respondents described plans for new child care services (such as infant and toddler programs) and before- and after-school programs for older children. One large multi-service agency in Cleveland plans to create evening child care "as a collaborative effort with other agencies."

Other plans for new services are not linked to welfare policies. For instance, seven agencies plan straight GED or literacy programs. Respondents also described a wide range of plans for more focused programming for school-age youth; for example, six agencies plan programs to address juvenile crime and/or gang activity. One respondent from a battered women's shelter described plans for counseling services for children who witness violence.

In some ways, the plans among agencies in the sample are most notable for the kinds of services they *don't* include. For example, although basic needs agencies anticipated increased demand, few expected to add or expand programs; of the 30 agencies that primarily provide food, housing, and other emergency resources, only four were planning to expand these services. Others either had no plans or were planning other kinds of programs. For example, a respondent from a basic needs agency that expected emergency food referrals to increase because of welfare reform described plans for new job preparation and training programs but did not mention how it would meet increased demand for emergency food.

C. Changes in Funding

With the exception of respondents from vocational training and employment preparation agencies, most were pessimistic or uncertain about increasing their pool of resources. Some saw trends away from funding for their type of service or agency. Others complained of increasing competition or bureaucratic requirements. In some cases, dissonance between an agency's values and those of potential funders has created conflicts over the desirability of seeking certain forms of funding.

- **Expectations about the availability of new funding sources varied by type of agency.**

Respondents from vocational training and employment preparation agencies had the most positive outlook about new funding sources. Several of them mentioned applying for newly available federal funding (from the Department of Labor) for welfare-to-work services.

Basic needs agencies, in contrast, were much more likely to report difficulty in securing new funding. A respondent from a shelter asserted that there is a lot of money for agencies that offer job training but not for agencies that help people with basic needs like housing, food, and clothing.

Many faith-based organizations expected future funding to be tied to changes in the availability of church offerings.[28] Thus, for example, one Miami basic needs organization noted

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[27]Several organizations in Philadelphia mentioned plans for new or expanded economic development projects, and an organization in Miami reported plans to reopen a Haitian marketplace.

[28]Interviewers did not specifically ask about the section of PRWORA that allows states to contract with faith-based organizations for welfare-related services. However, when asked about new sources of funding, respondents did not mention this change. Because most of the faith-based agencies in the sample provide basic needs services, they would not have been directly affected by this change in funding for work-related services. In addition, respon-

(continued)

that as church membership grows, so will its funding. In contrast, a Philadelphia faith-based agency that also gets most of its funding from church offerings did not expect funding to increase over the following year.

- **Agencies pointed to specific problems associated with securing new funding.**

Competition for funding was mentioned by several agencies. In particular, housing and community development agencies expected to see an increase in funding for welfare recipients, but they saw this as being accompanied by increased competition for the new money. One respondent who expected that more funds would become available for low-income families also foresaw many more "new players" in housing who would be competing for these monies.

In discussing changes in funding, one respondent from an education agency said:

> There is a trend in corporate funds — they are becoming more scarce because corporations have left or merged and are looking for broad initiatives which will better market the company. This means they are not tending to give to smaller organizations . . . . There is also a trend for foundations to identify their own initiatives and then invite applications, so if [our programs] fit those initiatives then great, but if not, the money isn't there.

Nonetheless, when asked how they would respond to the new needs arising from welfare reform, several types of agencies (including a school, a youth organization, a health agency, and a family well-being organization) mentioned looking to foundations for support. A basic needs agency and an education agency both mentioned hiring professional grant writers in order to increase funding.

A few agencies noted the difficulty in securing funding for preventive services. For example, a respondent from a multi-service agency that provides various family well-being services said that it was "harder to justify prevention to funders despite the fact that it is cheaper than remediation." This respondent noted other changes related to funding:

> [They now] need to get outcome measures or [will be] in trouble — need these for funding. DHS [Philadelphia's Department of Human Services] never asked for these before — they just wanted to make sure you had the paperwork filled out right. The United Way used to just count heads — this is changing. Some things — like education or prevention programs are hard to measure success.... For example, a protection order may not be the right thing for one battered woman, but some contracts might want a certain number of these a year. Domestic violence is especially hard to measure outcome[s] on.

- **A few agencies reported that funders' priorities conflicted with their own.**

For some agencies, new funding to serve welfare recipients can diverge from the agency's mission or previous experience. This conflict is evident in the response of a staff mem-

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dents may not have learned of these changes by the time of their first interview. The second round of interview data will allow us to address these issues more directly.

ber at a Philadelphia community development corporation that had applied for welfare-to-work money:

> Welfare recipients will be harder to place and will take more time and resources to get placed so [we] need another staff. One thing is that this is a CDC [Community Development Corporation] — it is supposed to work for the community, not just welfare recipients. The problem is that now there are less funds out there to help low-income people who are not welfare recipients — there are more out there than welfare recipients and the CDC needs to continue to help them.

One Philadelphia basic education agency noted that it had purposely not applied for new funding from the welfare department to provide job readiness and job search services, presumably because those diverge from the agency's educational mission. Similarly, a respondent at an agency that provides GED services and job training noted that the agency could benefit from increased funding related to job training but that it needed to maintain integrity in this work and couldn't direct people to just any job in order to meet the welfare requirements; staff needed to direct people in ways that "meet their true needs."

There was a considerable difference between basic needs agencies and education and employment preparation agencies in terms of their plans for the following year. Whereas both types of agencies expected demand changes as a result of welfare reform, the education and training agencies (particularly the vocational training agencies) had already begun to experience changes as a result of welfare reform and were aware of funding sources that would allow them to expand services; in some cases, the funding preceded and was the reason for the expansion. In contrast, the basic needs agencies noted the increased demand but generally had not yet experienced large changes and did not expect them to happen until time limits hit or until significant numbers of welfare recipients lost income. Basic needs agencies were not aware of new funding sources and did not have specific plans for how they would address the new demand. To questions concerning how they planned to respond to the increased needs arising from welfare reform, respondents from basic needs agencies commonly indicated no plans and made such comments as, "Staffing and services will probably stay the same but be stretched thinner" and "We'll wait and see just what will definitely be required of us. We'll go with the flow."

Basic needs agencies seemed unable to develop plans for dealing with welfare reform in part because they were operating right at the edge of their budget. Nearly one-half of the basic needs agencies in the sample reported being at capacity and turning away potential clients in need. Still, other than expecting that "demand will increase," they were not sure exactly how they would be affected, so it was not clear how to handle the increase in demand. As one respondent commented, the new needs were not known yet, and so the agency could not really start planning to address them. Another respondent noted that agencies had been dealing with increased demand that was unrelated to welfare reform:

> My sense is that [demand] will increase just because of the nature of the neighborhood. We have an economically deprived area that because of all these factors like drugs, lack of education, poverty, etc., push the community down.

VII. Implications of the Findings

A. Educating Local Service Providers

The majority of agencies in the sample had very sketchy information about welfare reform. Lack of knowledge about the specifics of local welfare policies (for example, the dates for time limits) inhibits the agencies' ability to plan and help clients get all benefits to which they are entitled. For instance, some respondents were not aware of child care, transportation, and other supports for working families. Thus, it is important to improve communication between the welfare departments and community agencies.

Welfare departments are an important source of information about welfare policies, and they should reach out to a broader array of community agencies — not just those with which they have contracts — to inform them about welfare policies. Even in Philadelphia and Cleveland, where knowledge was most widespread, few agencies' respondents knew about the details of welfare reform in their city. Welfare departments may want to reach out to professional associations of people who serve the poor, because these associations are another important source of information for the agencies in the sample. Welfare departments should also make it easy for agencies to seek out information about welfare policies.

Agencies should take responsibility for seeking out information, and they should not assume that certain options or supports are unavailable.

B. Taking Advantage of Available Local Services

Welfare departments should allow sufficient flexibility to avoid thwarting recipients' attempts to leave welfare. For instance, when recipients attend a program at a community agency for only a few hours per week, they should be encouraged by welfare staff to supplement that program with a part-time job or other work activity so that they will be in compliance with the rules. Welfare caseworkers need to be aware of their existing options for flexibility (and should be encouraged to use them).

C. Meeting Future Expectations: Will Agencies Be Prepared?

So far, the major changes from welfare reform have been the changes in participation experienced by education and employment preparation agencies. Some agencies have experienced declines, while others have seen gains. In some places, like Philadelphia, welfare agencies quickly changed the focus of their welfare-to-work program, causing education and training agencies to respond to this shift. The agencies' responses to meet the needs of welfare reform were to compress the curriculum and make services shorter, which may not be the best ways to serve all welfare recipients. In addition, many observers have commented that as the most employable recipients leave welfare for jobs, the largest group remaining on welfare are people who are the most difficult to employ. It is unclear whether agencies will be prepared to deal with this "hard to serve" group.

Food banks, soup kitchens, homeless shelters, and the like are a vitally important part of the safety net for poor individuals and families. Most agencies expect demand to increase because of welfare reform, particularly when recipients reach their time limits. One respondent from a homeless shelter in Philadelphia expressed fears for the future of services for poor families:

> They [legislators] don't understand what these people's lives are like — they just don't get it. The government thinks that if they pull out of supporting the poor that the social services will step up and fill in the gap. But people are not contributing more to charity, because government is putting their tax money to other uses — there will not be enough resources to go around to support the poor this way.

The experience of some agencies in Cleveland dealing with widespread sanctioning suggests that expectations of increased demand may be fulfilled if recipients lose benefits due to sanctions or time limits. But many basic needs agencies are already operating at capacity and are stretched financially, so they are unable to accommodate increases in demand.

Again, information would help agencies be more proactive. Most agencies in the sample were not very certain about when time limits would hit, why sanctioning rates had increased and whether or not this situation was temporary, and what benefits (for example, food stamps) recipients were entitled to when they left welfare for work. If large numbers of recipients do reach time limits without a job and are cut from the rolls, the private safety net will be forced to respond. Agencies and funders will need to find ways to deal with this increased demand.

Appendix

Detailed Description of Types of Agencies

Figure A-1 shows the distribution of main services offered by agencies across the Urban Change sites.

Adult Education and Employment Preparation (19 Agencies)

Agencies included in this category offer vocational skills training, basic education, or employment preparation services. Agencies typically provide combinations of these services, either clustered in one program (so that participants get all services) or separately (participants enroll in either a GED or a skills training course).

- **Four agencies focus on basic education or literacy skills.**

Empowerment through education is a common mission for these agencies, as discussed by one respondent from Cleveland: "The goal is to empower these people to get ahead, to educate people who have not been gifted with the opportunity to get a good education." Notable among this group of agencies is that three out of four provide child care services so that participants can attend classes.

- **Seven agencies provide vocational skills training.**

Some providers of vocational skills training were created to serve businesses by ensuring that they have a qualified workforce. Such agencies often view employers as their primary customers, although some see their foremost goal as bettering the lives of their participants.[1] The content of these training programs varies and is not known for all agencies, but it includes machinist training, building and maintenance trades, manufacturing, nursing assistance, human services, and computer software training.

- **Eight agencies provide employment preparation services.**

Employment preparation includes programs that teach people how to write a résumé, conduct a job search, and interview successfully. Several agencies also provide job placement assistance. Self-sufficiency through employment is the primary goal of these agencies: "To help people realize their work potential and interests. To give them skills in job search that can help them become self-sufficient."

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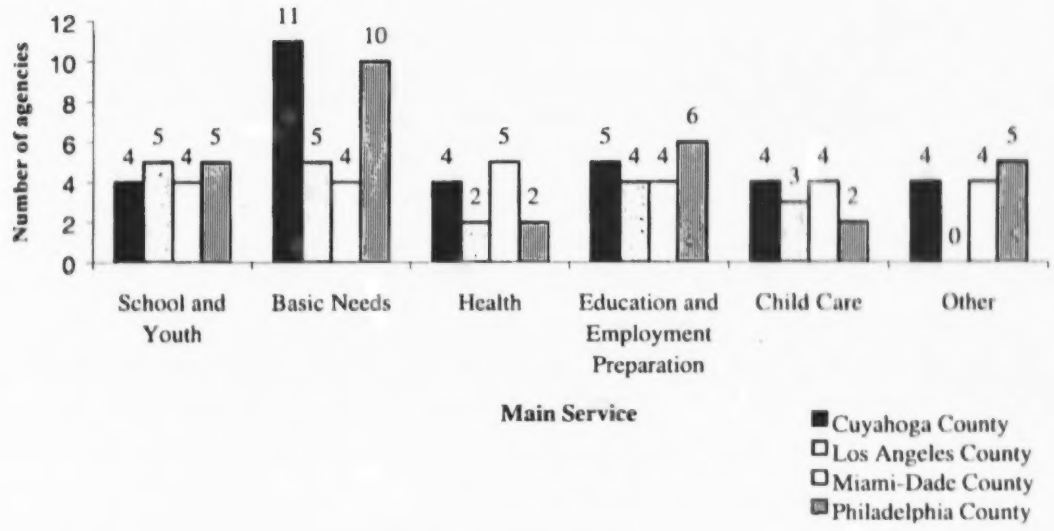
[1]Mission statements reveal this distinction. For example, one Los Angeles-based provider runs a machinist training program that was launched "to address the employment needs of the business community by integrating public and private funds to train unemployed and displaced workers in jobs with career potential." In contrast, another agency was created to address "the serious economic and social problems that prevail in the city's public housing developments." Its mission is "to foster family unity to move toward self-sufficiency. The general objective of the program is to enable residents to . . . develop the skills and self-confidence that will enable them to achieve economic independence."

The Project on Devolution and Urban Change

Figure A-1

Main Service of Agencies, by Site



SOURCE: MDRC calculations using Round 1 Institutional Study data.

As noted above, these agencies often provide a variety of services. A few employment preparation agencies and education-focused agencies now offer basic training in computer skills. One agency that provides computer classes noted that staff "take people with minimal skills in computer applications and make them feel comfortable using a computer."

Several agencies in each of the above groups offer programs targeted specifically to welfare recipients. These programs tend to focus on employment preparation services, although one of them primarily provides vocational skills training. Typical of agencies that focus on employment preparation is one that runs a program to help TANF recipients gain job-seeking skills (including job application, résumé preparation, interviewing, and job placement).

Child Care (13 Agencies)

One agency in this category is a nonprofit organization that runs support groups for people who care for other people's children. It provides parent education as well as parent-child play groups and support groups, and (in collaboration with other organizations) it is working to accredit child care centers, provide scholarships for teachers, and offer subsidies to help families pay for child care.

The other 12 agencies in this category provide direct services for preschool-age children. As one respondent put it: "We are a *preschool*. I put an emphasis on preschool because we take our child care side of our philosophy or what we do as a given. We are really here to provide a nurturing, loving, caring, learning situation for children." However, this category does not distinguish between child care and preschool agencies.

- **Four agencies provide the Head Start program.**

Head Start, a federal program, provides a comprehensive approach to child development. In addition to its educational activities for children, Head Start provides social services, makes sure that children receive appropriate health care services and proper nutrition, and involves parents, who are made aware of social service resources and gain parenting skills.

- **The remaining nine child care agencies include seven nonprofit and two for-profit agencies.**

Many of these agencies aim to help both the children and their families. One respondent noted that her agency hopes to "improve and empower the lives of residents economically. Child care is an important aspect of that because we are able to assist people by removing barriers for them to get back to work." In this same vein, several agencies provide after-school care for older children, which helps parents to keep jobs. Another center associated with a public elementary school "strive[s] to support the families of our children by offering a variety of assistance and services to help them raise their children in today's complex society." To meet this goal, the agency provides a family literacy program.

Basic Needs (30 Agencies)

Almost 60 percent of all the faith-based agencies in the sample fit into the basic needs category. They tend to provide food and other "emergency" items, such as clothing and assistance with rent or utilities.

- **Seven agencies primarily provide food.**

Four of these agencies run food banks or food cupboards, from which families receive groceries to last several days. There are usually restrictions on how often people can come to the food bank. Two agencies provide hot meals periodically, either weekly or monthly. One agency is a major food distribution center that supplies other nonprofit organizations (like those in the sample).

- **Ten agencies provide other services along with food.**

These agencies offer various services in addition to distributing food. One respondent noted that the agency originally started as a food pantry and then added a hot meals program. But as staff began working with people, "they realized there were many other problems besides hunger," and so they gradually added other services.

Several of these agencies offer financial assistance for such emergencies as paying rent, utilities, and other important bills. Others provide counseling, clothing, and referrals related to housing or social services. One provides employment services, such as preparing clients for job interviews, and another houses a major welfare-to-work program that puts many recipients to work at the agency. Several agencies work to help clients solve problems with government bureaucracies and to negotiate the system. Some offer child care programs for preschoolers and/or tutoring programs for school-age children.

- **Three agencies provide emergency services (but without an emphasis on food).**

These small, faith-based organizations help people meet emergency needs. For instance, one Cleveland church created the position of outreach minister several years ago to provide financial assistance with rent or utilities and to make referrals for needs that the church could not meet.

- **Eight agencies provide shelter for the homeless or focus on housing issues.**

These agencies provide various services:

- One agency manages a public housing complex.
- Six agencies provide shelters for homeless women and children; two of these serve victims of domestic violence. In addition to the shelters, these agencies provide other services like those already described, such as clothing, meals, and legal advice and representation. One agency partners with another organization to provide life skills, child care, parenting, and GED classes. One has a 24-hour hotline; serves as an advocate for women involved with legal issues; runs treatment programs for abusers and support groups for victims; offers services to youth; and engages in community education activities. Another has a daycare center, a computer learning center, and a health clinic.
- One agency offers people one-time assistance with their first month's rent (an amount up to 75 percent of their income).

- **Two agencies are quite large, multi-service organizations.**

These agencies provide a full range of services in addition to those classified as basic needs, including education; job training and job placement; children and youth services (including child care, after-school care, and summer camps); family well-being programs (for example, parenting classes); and counseling.

Health (13 Agencies)

- **Seven agencies provide general, family health care.**

The agencies in this category typically provide pediatric care, internal medicine, and laboratory tests, and some offer dental services. In describing the original mission of one agency, the respondent noted: "The total health of the family was the primary concern. This is still the mission of the agency." These agencies typically arose because health care for the poor was seen as an unmet community need:

> The original mission was to provide primary health care to a grossly underserved community. We felt the best way to do that was to bring health care to the people where they live. It is much easier to gain trust and also people feel safer inside the boundaries of this neighborhood.

Relevant to welfare reform, this agency defines its mission broadly: "We walk door to door giv[ing] out shots for kids, we provide urgent care for people when they walk in off the street, anything remotely related to health care either we provide services to them or refer them." In its effort to increase access to health care, this agency has located on-site Medicaid eligibility workers.

- **Three agencies provide mental health services.**

One agency runs a new government program focused on children's mental health. It provides psychological assessment, evaluation, and treatment of children. The two others are nonprofit, comprehensive mental health centers. Interestingly, one of these recently integrated a program for TANF recipients into its programs for homeless individuals. The TANF program is designed to help women who reside in public housing.

- **Three nonprofit agencies provide specialized services.**

One agency provides prenatal and postpartum care to low-income women. Another provides HIV prevention and HIV support services. The services associated with HIV prevention (mainly information dissemination), as well as this agency's crime prevention services, are directed toward youth. The third agency offers subsidized abortion services, which staff note that few clinics do, but their mission is to make abortions available to all women, rich or poor.

School and Youth (18 Agencies)

- **Nine agencies are elementary schools; seven of these are public schools, and two of these are faith-based.**

All the schools in the sample provide some services outside the traditional educational mandate. As one respondent noted: "The schools have evolved greatly. We wear more hats than we've ever had...now, unlike years ago, the schools have social workers to address various needs of children."

The mission statements incorporate broad goals. For instance, the goal of a Los Angeles school is "to educate those children and, more broadly, to help overcome social problems that are a barrier to learning." In this vein, several schools offer after-school activities involving computers, art, science and math, recreational sports programs, and tutoring. One school described a special program that attempts to identify and monitor students at risk of failure; the goal is to keep them out of special education. Through the program, the school can link students and families to mental health providers.

Another staff member described the school's mission as "serv[ing] the whole family. We want to try to meet the needs of the parent as well as the child." For this reason, some schools provide services to parents. For instance, one school does home visits and provides workshops on parenting. At another, a guidance counselor holds a luncheon meeting with parents once a month. One school offers adult education for parents who want to get a GED certificate or high school diploma or who want to improve their literacy skills.

- **Nine agencies provide various services for youth.**

The origins of this group of agencies commonly point to a goal of "getting youth involved in activities after school to keep them off the street." For instance, a Los Angeles agency whose mission is "to provide children with alternatives to a life of crime" was started by community residents "because there was a lack of resources for the youth in the community."

Many of these organizations offer services similar to those provided in the schools, such as recreational programs and tutoring. A few offer summer daycamps for children and job readiness skills for youth. Some offer services for parents and families, such as counseling, parenting classes, and English as a Second Language (ESL) instruction. A respondent from a Cleveland agency noted: "This agency is primarily focused on the needs of the youth in the community; however, it has gradually developed as a family institution that provides services to the entire family."

One of these agencies that offers services in a variety of areas also has on-site welfare eligibility workers. This agency is a collaborative effort between an elementary school, a community center in a nearby public housing development, a nearby university, and a host of community agencies.

Other (13 Agencies)

Agencies were coded as "other" because there are too few of each type to form their own category and because they are concentrated in one or two sites.[2]

- **Seven agencies seek to promote family well-being.**

[2]In addition, the "other" category includes an agency that mainly provides referrals to food banks.

Only Cleveland and Miami have agencies categorized as "family well-being." Three of the four Cleveland-based agencies are faith-based, and two of the three in Miami are government agencies.

One agency addresses issues associated with foster care; it provides support for foster parents and relatives who have custody of their kin, runs a parenting program for people who want to regain custody of their children, and has designed a new program to prevent abuse and neglect among people leaving welfare. Two agencies provide services to families in which there is domestic violence, and another's mission is to prevent child abuse and help victims of abuse. Another agency targets low-income men who want to have a better relationship with their children.

- **Three agencies focus on housing and community development issues.**

All three of these agencies are located in Philadelphia. The goals of one such agency have been

> the development of affordable housing, the commercial revitalization of the . . . area, and the improvement of the quality of life of the community we serve, on a block-by-block basis through community-building.

To promote these goals, this agency renovates and sells houses to first-time home buyers with low and moderate incomes, rents out a small number of housing units, invites local politicians to talk about various issues, has an antigraffiti program, mounts a clothing drive, makes referrals for food, and runs a "town watch" program. Another agency sells rehabilitated homes to first-time buyers with low and moderate incomes, and it also operates an economic development program to match neighborhood residents who are looking for work with local businesses.

- **Two agencies provide advocacy.**

Advocacy can be done on a broad scale (by working to change social policies) and on an individual level (by helping people access benefits to which they are entitled). One agency that is "dedicated to [the] organizing of welfare recipients, the homeless, the working poor, and all people concerned with economic justice" focuses on broadscale advocacy through speaking engagements and political organizing efforts, but it also engages in individual advocacy by accompanying people to welfare and other offices to help them resolve problems with caseworkers. The other advocacy agency offers free legal services to the poor; one of its units specializes in issues involving any kind of public benefits or governmental assistance.

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Recent Publications on MDRC Projects

Note: For works not published by MDRC, the publisher's name is shown in parentheses. A complete publications list is available from MDRC and on its Web site (www.mdrc.org), which also contains copies of MDRC's publications.

Reforming Welfare and Making Work Pay

Next Generation Project

A collaboration among researchers at MDRC and several leading research institutions focused on studying the effects of welfare, antipoverty, and employment policies on children and families.

How Welfare and Work Policies Affect Children: A Synthesis of Research. 2001. Pamela Morris, Aletha Huston, Greg Duncan, Danielle Crosby, Johannes Bos.

How Welfare and Work Policies Affect Employment and Income: A Synthesis of Research. 2001. Dan Bloom, Charles Michalopoulos.

ReWORKing Welfare: Technical Assistance for States and Localities

A multifaceted effort to assist states and localities in designing and implementing their welfare reform programs. The project includes a series of "how-to" guides, conferences, briefings, and customized, in-depth technical assistance.

After AFDC: Welfare-to-Work Choices and Challenges for States. 1997. Dan Bloom.

Changing to a Work First Strategy: Lessons from Los Angeles County's GAIN Program for Welfare Recipients. 1997. Evan Weissman.

Work First: How to Implement an Employment-Focused Approach to Welfare Reform. 1997. Amy Brown.

Business Partnerships: How to Involve Employers in Welfare Reform. 1998. Amy Brown, Maria Buck, Erik Skinner.

Learnfare: How to Implement a Mandatory Stay-in-School Program for Teenage Parents on Welfare. 1998. David Long, Johannes Bos.

Promoting Participation: How to Increase Involvement in Welfare-to-Work Activities. 1999. Gayle Hamilton, Susan Scrivener.

Encouraging Work, Reducing Poverty: The Impact of Work Incentive Programs. 2000. Gordon Berlin.

Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce. 2000. Julie Strawn, Karin Martinson.

Project on Devolution and Urban Change

A multi-year study in four major urban counties — Cuyahoga County, Ohio (which includes the city of Cleveland), Los Angeles, Miami-Dade, and Philadelphia — that examines how welfare reforms are being implemented and affect poor people, their neighborhoods, and the institutions that serve them.

Big Cities and Welfare Reform: Early Implementation and Ethnographic Findings from the Project on Devolution and Urban Change. 1999. Janet Quint, Kathryn Edin, Maria Buck, Barbara Fink, Yolanda Padilla, Olis Simmons-Hewitt, Mary Valmont.

Food Security and Hunger in Poor, Mother-Headed Families in Four U.S. Cities. 2000. Denise Polit, Andrew London, John Martinez.

Assessing the Impact of Welfare Reform on Urban Communities: The Urban Change Project and Methodological Considerations. 2000. Charles Michalopoulos, Johannes Bos, Robert Lalonde, Nandita Verma.

Post-TANF Food Stamp and Medicaid Benefits: Factors That Aid or Impede Their Receipt. 2001. Janet Quint, Rebecca Widom.

Social Service Organizations and Welfare Reform. 2001. Barbara Fink, Rebecca Widom.

Time Limits

Florida's Family Transition Program

An evaluation of Florida's initial time-limited welfare program, which includes services, requirements, and financial work incentives intended to reduce long-term welfare receipt and help welfare recipients find and keep jobs.

The Family Transition Program: An Early Implementation Report on Florida's Time-Limited Welfare Initiative. 1995. Dan Bloom.

The Family Transition Program: Implementation and Early Impacts of Florida's Initial Time-Limited Welfare Program. 1997. Dan Bloom, James Kemple, Robin Rogers-Dillon.

The Family Transition Program: Implementation and Interim Impacts of Florida's Initial Time-Limited Welfare Program. 1998. Dan Bloom, Mary Farrell, James Kemple, Nandita Verma.

The Family Transition Program: Implementation and Three-Year Impacts of Florida's Initial Time-Limited Welfare Program. 1999. Dan Bloom, Mary Farrell, James Kemple, Nandita Verma.

Cross-State Study of Time-Limited Welfare

An examination of the implementation of some of the first state-initiated time-limited welfare programs.

Implementing Time-Limited Welfare: Early Experiences in Three States. 1995. Dan Bloom, David Butler.

The View from the Field: As Time Limits Approach, Welfare Recipients and Staff Talk About Their Attitudes and Expectations. 1997. Amy Brown, Dan Bloom, David Butler.

Welfare Time Limits: An Interim Report Card. 1999. Dan Bloom.

Connecticut's Jobs First Program

An evaluation of Connecticut's statewide time-limited welfare program, which includes financial work incentives and requirements to participate in employment-related services aimed at rapid job placement. This study provides some of the earliest information on the effects of time limits in major urban areas.

Early Data on the Implementation of Connecticut's Jobs First Program. 1997. Dan Bloom, Mary Andes.

Jobs First: Early Implementation of Connecticut's Welfare Reform Initiative. 1998. Dan Bloom, Mary Andes, Claudia Nicholson.

Connecticut Post-Time Limit Tracking Study: Three-Month Survey Results. 1998. Jo Anna Hunter-Manns, Dan Bloom, Richard Hendra, Johanna Walter.

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Vermont's Welfare Restructuring Project

An evaluation of Vermont's statewide welfare reform program, which includes a work requirement after a certain period of welfare receipt, and financial work incentives.

WRP: Implementation and Early Impacts of Vermont's Welfare Restructuring Project. 1998. Dan Bloom, Charles Michalopoulos, Johanna Walter, Patricia Auspos.

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Financial Incentives

Encouraging Work, Reducing Poverty: The Impact of Work Incentive Programs. 2000. Gordon Berlin.

Minnesota Family Investment Program

An evaluation of Minnesota's pilot welfare reform initiative, which aims to encourage work, alleviate poverty, and reduce welfare dependence.

MFIP: An Early Report on Minnesota's Approach to Welfare Reform. 1995. Virginia Knox, Amy Brown, Winston Lin.

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Final Report on the Implementation and Impacts of the Minnesota Family Investment Program in Ramsey County. 2000. Patricia Auspos, Cynthia Miller, Jo Anna Hunter.

New Hope Project

A test of a community-based, work-focused antipoverty program and welfare alternative operating in Milwaukee.

The New Hope Offer: Participants in the New Hope Demonstration Discuss Work, Family, and Self-Sufficiency. 1996. Dudley Benoit.

Creating New Hope: Implementation of a Program to Reduce Poverty and Reform Welfare. 1997. Thomas Brock, Fred Doolittle, Veronica Fellerath, Michael Wiseman.

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Canada's Self-Sufficiency Project

A test of the effectiveness of a temporary earnings supplement on the employment and welfare receipt of public assistance recipients. Reports on the Self-Sufficiency Project are available from: Social Research and Demonstration Corporation (SRDC), 275 Slater St., Suite 900, Ottawa, Ontario K1P 5H9, Canada. Tel.: 613-237-4311; Fax: 613-237-5045. In the United States, the reports are also available from MDRC.

Creating an Alternative to Welfare: First-Year Findings on the Implementation, Welfare Impacts, and Costs of the Self-Sufficiency Project (Social Research and Demonstration Corporation [SRDC]). 1995. Tod Mijanovich, David Long.

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The Self-Sufficiency Project at 36 Months: Effects on Children of a Program That Increased Parental Employment and Income (SRDC). 2000. Pamela Morris, Charles Michalopoulos.

Mandatory Welfare Employment Programs

National Evaluation of Welfare-to-Work Strategies

Conceived and sponsored by the U.S. Department of Health and Human Services, with support from the U.S. Department of Education, this is the largest-scale evaluation ever conducted of different strategies for moving people from welfare to employment.

Adult Education for People on AFDC: A Synthesis of Research (U.S. Department of Education [ED]/U.S. Department of Health and Human Services [HHS]). 1995. Edward Pauly.

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Monthly Participation Rates in Three Sites and Factors Affecting Participation Levels in Welfare-to-Work Programs (HHS/ED). 1995. Gayle Hamilton.

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Impacts on Young Children and Their Families Two Years After Enrollment: Findings from the Child Outcomes Study (HHS/ED). 2000. Sharon McGroder, Martha Zaslow, Kristin Moore, Suzanne LeMenestrel.

What Works Best for Whom: Impacts of 20 Welfare-to-Work Programs by Subgroup (HHS/ED). 2000. Charles Michalopoulos, Christine Schwartz.

Los Angeles's Jobs-First GAIN Program

An evaluation of Los Angeles's refocused GAIN (welfare-to-work) program, which emphasizes rapid employment. This is the first in-depth study of a full-scale "work first" program in one of the nation's largest urban areas.

Changing to a Work First Strategy: Lessons from Los Angeles County's GAIN Program for Welfare Recipients. 1997. Evan Weissman.

The Los Angeles Jobs-First GAIN Evaluation: Preliminary Findings on Participation Patterns and First-Year Impacts. 1998. Stephen Freedman, Marisa Mitchell, David Navarro.

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The Los Angeles Jobs-First GAIN Evaluation: Final Report on a Work First Program in a Major Urban Center. 2000. Stephen Freedman, Jean Knab, Lisa Gennetian, David Navarro.

Teen Parents on Welfare

Teenage Parent Programs: A Synthesis of the Long-Term Effects of the New Chance Demonstration, Ohio's Learning, Earning, and Parenting (LEAP) Program, and the Teenage Parent Demonstration (TPD). 1998. Robert Granger, Rachel Cytron.

Ohio's LEAP Program

An evaluation of Ohio's Learning, Earning, and Parenting (LEAP) Program, which uses financial incentives to encourage teenage parents on welfare to stay in or return to school.

LEAP: Final Report on Ohio's Welfare Initiative to Improve School Attendance Among Teenage Parents. 1997. Johannes Bos, Veronica Fellerath.

New Chance Demonstration

A test of a comprehensive program of services that seeks to improve the economic status and general well-being of a group of highly disadvantaged young women and their children.

New Chance: Final Report on a Comprehensive Program for Young Mothers in Poverty and Their Children. 1997. Janet Quint, Johannes Bos, Denise Polit.

Parenting Behavior in a Sample of Young Mothers in Poverty: Results of the New Chance Observational Study. 1998. Martha Zaslow, Carolyn Eldred, editors.

Focusing on Fathers

Parents' Fair Share Demonstration

A demonstration for unemployed noncustodial parents (usually fathers) of children on welfare. PFS aims to improve the men's employment and earnings, reduce child poverty by increasing child support payments, and assist the fathers in playing a broader constructive role in their children's lives.

Low-Income Parents and the Parents' Fair Share Demonstration. 1996. Earl Johnson, Fred Doolittle.

Working with Low-Income Cases: Lessons for the Child Support Enforcement System from Parents' Fair Share. 1998. Fred Doolittle, Suzanne Lynn.

Building Opportunities, Enforcing Obligations: Implementation and Interim Impacts of Parents' Fair Share. 1998. Fred Doolittle, Virginia Knox, Cynthia Miller, Sharon Rowser.

Fathers' Fair Share: Helping Poor Men Manage Child Support and Fatherhood (Russell Sage Foundation). 1999. Earl Johnson, Ann Levine, Fred Doolittle.

Parenting and Providing: The Impact of Parents' Fair Share on Paternal Involvement. 2000. Virginia Knox, Cindy Redcross.

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The Responsible Fatherhood Curriculum. 2000. Eileen Hayes, with Kay Sherwood.

Other

Can They All Work? A Study of the Employment Potential of Welfare Recipients in a Welfare-to-Work Program. 1995. James Riccio, Stephen Freedman.

Florida's Project Independence: Benefits, Costs, and Two-Year Impacts of Florida's JOBS Program. 1995. James Kemple, Daniel Friedlander, Veronica Fellerath.

From Welfare to Work Among Lone Parents in Britain: Lessons for America. 1996. James Riccio.

Education Reform

Career Academies

The largest and most comprehensive evaluation of a school-to-work initiative, this study examines a promising approach to high school restructuring and the school-to-work transition.

Career Academies: Early Implementation Lessons from a 10-Site Evaluation. 1996. James Kemple, JoAnn Leah Rock.

Career Academies: Communities of Support for Students and Teachers — Emerging Findings from a 10-Site Evaluation. 1997. James Kemple.

Career Academies: Building Career Awareness and Work-Based Learning Activities Through Employer Partnerships. 1999. James Kemple, Susan Poglinco, Jason Snipes.

Career Academies: Impacts on Students' Engagement and Performance in High School. 2000. James Kemple, Jason Snipes.

Project GRAD

This evaluation examines Project GRAD, an education initiative targeted at urban schools and combining a number of proven or promising reforms.

Building the Foundation for Improved Student Performance: The Pre-Curricular Phase of Project GRAD Newark. 2000. Sandra Ham, Fred C. Doolittle, Glee Ivory Holton.

LILAA Initiative

This study of the Literacy in Libraries Across America (LILAA) initiative explores the efforts of five adult literacy programs in public libraries to improve learner persistence.

So I Made Up My Mind: Introducing a Study of Adult Learner Persistence in Library Literacy Programs. 2000. John T. Comings, Sondra Cuban.

Project Transition

A demonstration program that tested a combination of school-based strategies to facilitate students' transition from middle school to high school.

Project Transition: Testing an Intervention to Help High School Freshmen Succeed. 1999. Janet Quint, Cynthia Miller, Jennifer Pastor, Rachel Cytron.

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Equity 2000

Equity 2000 is a nationwide initiative sponsored by the College Board to improve low-income students' access to college. The MDRC paper examines the implementation of Equity 2000 in Milwaukee Public Schools.

Getting to the Right Algebra: The Equity 2000 Initiative in Milwaukee Public Schools. 1999. Sandra Ham, Erica Walker.

School-to-Work Project

A study of innovative programs that help students make the transition from school to work or careers.

Home-Grown Lessons: Innovative Programs Linking School and Work (Jossey-Bass Publishers). 1995. Edward Pauly, Hilary Kopp, Joshua Haimson.

Home-Grown Progress: The Evolution of Innovative School-to-Work Programs. 1997. Rachel Pedraza, Edward Pauly, Hilary Kopp.

Employment and Community Initiatives

Connections to Work Project

A study of local efforts to increase competition in the choice of providers of employment services for welfare recipients and other low-income populations. The project also provides assistance to cutting-edge local initiatives aimed at helping such people access and secure jobs.

Tulsa's IndEx Program: A Business-Led Initiative for Welfare Reform and Economic Development. 1997. Maria Buck.

Washington Works: Sustaining a Vision of Welfare Reform Based on Personal Change, Work Preparation, and Employer Involvement. 1998. Susan Gooden.

Cost Analysis Step by Step: A How-to Guide for Planners and Providers of Welfare-to-Work and Other Employment and Training Programs. 1998. David Greenberg, Ute Appenzeller.

Designing and Administering a Wage-Paying Community Service Employment Program Under TANF: Some Considerations and Choices. 1999. Kay Sherwood.

San Francisco Works: Toward an Employer-Led Approach to Welfare Reform and Workforce Development. 2000. Steven Bliss.

Jobs-Plus Initiative

A multi-site effort to greatly increase employment among public housing residents.

A Research Framework for Evaluating Jobs-Plus, a Saturation and Place-Based Employment Initiative for Public Housing Residents. 1998. James Riccio.

Mobilizing Public Housing Communities for Work: Origins and Early Accomplishments of the Jobs-Plus Demonstration. 1999. James Riccio.

Building a Convincing Test of a Public Housing Employment Program Using Non-Experimental Methods: Planning for the Jobs-Plus Demonstration. 1999. Howard Bloom.

Jobs-Plus Site-by-Site: An Early Look at Program Implementation. 2000. Edited by Susan Philipson Bloom with Susan Blank.

Section 3 Public Housing Study

An examination of the effectiveness of Section 3 of the 1968 Housing and Urban Development Act in affording employment opportunities for public housing residents.

Lessons from the Field on the Implementation of Section 3 (U.S. Department of Housing and Urban Development). 1996. Maxine Bailey, Suzanne Lynn.

Canada's Earnings Supplement Project

A test of an innovative financial incentive intended to expedite the reemployment of displaced workers and encourage full-year work by seasonal or part-year workers, thereby also reducing receipt of Unemployment Insurance.

Implementing the Earnings Supplement Project: A Test of a Re-employment Incentive (Social Research and Demonstration Corporation). 1997. Howard Bloom, Barbara Fink, Susanna Lui-Gurr, Wendy Bancroft, Doug Tattrie.

Testing a Re-employment Incentive for Displaced Workers: The Earnings Supplement Project. 1999. Howard Bloom, Saul Schwartz, Susanna Lui-Gurr, Suk-Won Lee.

MDRC Working Papers on Research Methodology

A new series of papers that explore alternative methods of examining the implementation and impacts of programs and policies.

Building a Convincing Test of a Public Housing Employment Program Using Non-Experimental Methods: Planning for the Jobs-Plus Demonstration. 1999. Howard Bloom.

Estimating Program Impacts on Student Achievement Using "Short" Interrupted Time Series. 1999. Howard Bloom.

Using Cluster Random Assignment to Measure Program Impacts: Statistical Implications for the Evaluation of Education Programs. 1999. Howard Bloom, Johannes Bos, Suk-Won Lee.

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About MDRC

The Manpower Demonstration Research Corporation (MDRC) is a nonprofit, nonpartisan social policy research organization. We are dedicated to learning what works to improve the well-being of low-income people. Through our research and the active communication of our findings, we seek to enhance the effectiveness of social policies and programs. MDRC was founded in 1974 and is located in New York City and San Francisco.

MDRC's current projects focus on welfare and economic security, education, and employment and community initiatives. Complementing our evaluations of a wide range of welfare reforms are new studies of supports for the working poor and emerging analyses of how programs affect children's development and their families' well-being. In the field of education, we are testing reforms aimed at improving the performance of public schools, especially in urban areas. Finally, our community projects are using innovative approaches to increase employment in low-income neighborhoods.

Our projects are a mix of demonstrations — field tests of promising program models — and evaluations of government and community initiatives, and we employ a wide range of methods such as large-scale studies to determine a program's effects, surveys, case studies, and ethnographies of individuals and families. We share the findings and lessons from our work — including best practices for program operators — with a broad audience within the policy and practitioner community, as well as the general public and the media.

Over the past quarter century, MDRC has worked in almost every state, all of the nation's largest cities, and Canada. We conduct our projects in partnership with state and local governments, the federal government, public school systems, community organizations, and numerous private philanthropies.

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